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USDOC FOR 532/OEA/MNICKSON/ADYSON
USDOC FOR 3132 FOR FCS/OIO REGIONAL DIRECTOR PATRICK SANTILLO
BICE FOR OFFICE OF STRATEGIC INVESTIGATIONS

SIPDIS

E.O. 12958: N/A

TAGS: [BMGT](#) [BEXP](#) [HK](#) [ETRD](#) [ETTC](#)

SUBJECT: EXTRANCHECK: POST SHIPMENT VERIFICATION: TECHWING
ELECTRONICS LIMITED

REF: A) USDOC 00043 (2009) B) USDOC 07200

1. Unauthorized disclosure of the information provided below is prohibited by Section 12C of the Export Administration Act.

2. As per reftel A request and at the direction of the Office of Enforcement Analysis (OEA) of the USDOC Bureau of Industry and Security (BIS), Export Control Officer Philip Ankel (ECO) conducted a post shipment-verification (PSV) at Techwing Electronics Limited, Units 701-703, 7/F, Shing Yip Industrial Building, 19/21 Shing Yip Street, Hong Kong (Techwing). The items in question are two shipments of Xilinx electronic ICs exported to Techwing on or about May 20, 2008 and January 7, 2008 and valued at USD 2450 and USD 13,500 respectively. On the applicable shippers export declarations (SED), these items are classified under export control classification number (ECCN) 3A001 and, if properly classified, would be controlled for national security (NS) reasons. The exporter was America II Electronics of Saint Petersburg, Florida.

3. Techwing does not appear to exist in any of the applicable Hong Kong government corporate or tax registries.

4. Web research revealed a web site for Techwing Electronics Limited. That web site (www.techwing.com.hk) makes reference to the address to which the ICs were sent. That site states that Techwing is a leader in the design, manufacture, marketing and support of high-quality, cost-effective, data communications solutions for industrial and avionics applications. The company's customer list includes various mainland Chinese state-owned aviation and military companies. An internet domain search reveals that this web site is registered to a Hong Kong address, namely 12/F AT Tower, 100 Electric Rd, North Point, Hong Kong (more on this address below). The contact e-mail for this registration is shiyue02@163.com.

5. Web research reveals a nearly identical web site for a company called Jointway Electronics Limited (www.jointway-elec.com.hk). This company's description is essentially identical although it makes reference to test, simulation and production interfaces for industrial, military and aerospace applications. According to the Hong Kong Companies Registry, Jointway Electronics Limited was registered in August 2007 at the Techwing address noted above. Mainland Chinese national Mao, Xu Dong (passport number G16392329) is the company's sole director. The company's secretary is listed as K&S Secretarial Limited. This company is located at the 100 Electric Rd. address noted above that corresponds to the internet domain registration address for Techwing.

6. Mao, Xu Dong is also a director of Hong Kong company, Askey Tech Limited. This company has HKD 500,000 (USD65,000) in paid-in share capital. Askey is registered at another K&S Secretarial location (namely Unit D, 11F, Seabright Plaza, 9-23 Shell St. North Point, Hong Kong). According to other information available to the ECO, Askey and Jointway are both purchasers of controlled electronic

components controlled under ECCN 3A001a2c in 2008.

¶17. It proved to be very difficult to schedule the EUC with Techwing. After multiple calls and letters, ECO and Commercial Assistant Carrie Chan visited Techwing on March 23, 2009 and met with Mr. Alex Tam, Director. The offices of Techwing are also the offices of company secretarial firm, Aurora. While Techwing and Jointway are not included on Aurora's nameplates, Askey is included.

¶18. Mr. Tam provided an overview of the operations of Jointway. He stated that Techwing does not have operations in Hong Kong but is rather located in Shenzhen. The Shenzhen operation is owned by a BVI company. Shenzhen Techwing is an original design manufacturer. It produces CFC cards and FPGAs for various industrial and aviation related applications.

¶19. As to the specific items in question, Mr. Tam stated that they were being used in the manufacture of a CFC card that will be used in the production of a prototype of an industrial control computer system to help analyze temperature during steel production. Mr. Tam stated that the items were hand carried from Hong Kong to Shenzhen. No Hong Kong licenses were obtained for the import and subsequent reexport of these items (these were likely required). Mr. Tam confirmed that Jointway has conducted work for a range of state owned enterprises in the past including for the China North Industries Group Corporation (CNGC). According to the company's web site (www.cngc.com.cn), this company is the largest weaponry manufacturing group in China. Mr. Tam stated that these items were not destined to this end-user.

¶10. When asked about Jointway, Mr. Tam initially stated that he knew nothing about the company. When presented with a copy of the Jointway web site, Mr. Tam immediately noted that it was quite

similar to the Techwing web site. When presented with the corporate registration information for Jointway, Mr. Tam stated that he knew Mao, Xu Dong. Mr. Tam stated that he was Mr. Tam's partner in the Techwing enterprise. When ECO mentioned that Askey was also located at the Techwing address, Mr. Tam was incredulous until he was showed the name plate for Askey. Later he stated that this address was likely a new address for Askey.

¶11. Mr. Tam stated that Askey is supposed to be the overseas distributor of Techwing products. As noted above, Askey is a purchaser of controlled electronic components. When asked about the reason for the two similar companies, Mr. Tam stated that this second business (Jointway) may be in place to serve different markets. When ECO suggested that Jointway was potentially established to serve the military market, Mr. Tam did not object but offered no clear answer. In ECO's view, Mr. Tam was caught by surprise by the existence of Jointway.

¶12. Mr. Tam stated that the majority shareholder of Techwing is actually named Daniel Leung and is a professor at Hong Kong City University. ECO is researching this information. Mr. Tam and Mr. Mao are both minor shareholders in Techwing.

¶13. Mr. Tam claimed that he had never heard of two companies that have been the subject of prior unfavorable end use checks, namely Winsuny and CAM-IC. Information independently obtained by ECO shows that shipments of controlled electronic components purchased by Winsuny were actually delivered to Jointway. Winsuny is also related to CAM-IC.

¶14. Based on the information noted above, ECO believes that Techwing is an unsuitable recipient of U.S. origin controlled technology. ECO recommends that BIS reach out to America II to determine what information it had on hand when it shipped the items. Further, ECO requests that OEA confirm the 3A001 classification of the shipment so that ECO may reach out to Hong Kong TID concerning potential violations of Hong Kong's export control rules in connection with these shipments. ECO also recommends a thorough review of all shipments to Techwing, Jointway, Askey as well as to the addresses associated with those companies (noted above).